

The complaint

Hastings Financial Services Limited ('Hastings') provided Mr B with a personal loan in July 2024. Mr B borrowed £15,000 and he was due to make 60 monthly repayments of £318.23. Mr B says the credit was provided irresponsibly and he can't afford to repay it.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr B's case.

I've decided the credit was provided fairly because:

- I think the checks Hastings did before providing the credit were reasonable and proportionate, given the amount of credit it offered and what it knew about Mr B's financial situation.
- This is because Hastings' checks showed that Mr B earned £48,764 each year and it verified this using a credit reference agency tool. This tool also indicated he received just over £3,050 a month. Hastings found out that Mr B had other credit with a value of £30,000 to which he was paying around £630 a month to, this was mostly formed of unsecured loans. Hastings also found out that Mr B had no adverse credit repayment history. It found out his mortgage repayment was about £1,040 a month and it used statistical information to estimate his other living costs as being about £613 a month. These checks showed that he had enough left over to repay the new lending.
- Mr B has said that this 'automated' system led to Hastings gathering some incorrect information about his circumstances. He says his income was lower than Hastings recorded and his expenses were higher. He's provided some information, such as his bank statements, that he says showed this. And a detailed breakdown of his income and spending, which he says shows that he only had a small amount left over each month after all his existing spending was taken into consideration.
- But, having thought about everything, I don't think Hastings needed to investigate Mr B's income and expenditure in any more detail than it did. It did cross check his income using an acceptable method to do so, and it also found out about some of his larger expenditures and estimated the rest. I don't think it's reasonable to have expected it to look at his expenditure in the same level of detail that Mr B now has.

- And I also don't think some of the discretionary spending items that Mr B has included would form part of an affordability assessment. I think it would be disproportionate for Hastings to take account of all of Mr B's expenditures in the way he has done and assume they would remain the same going forward when this may not be the case with his adjustable expenditures.
- Based on the information Hastings gathered and what it knew about Mr B's circumstances, there was nothing to suggest Mr B was likely to be unable to sustainably repay what he was being lent. I don't think it lent unfairly and I don't think it needed to have made any further checks.
- I don't think Hastings acted unfairly in any other way.

This means I don't think Hastings did anything wrong when it provided the loan to Mr B.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Hastings lent irresponsibly to Mr B or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr B hoped for. But for the reasons above, I'm not asking Hastings to do anything to put things right.

My final decision

My final decision is that I'm not upholding Mr B's complaint about Hastings.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 January 2026.

Andy Burlinson
Ombudsman